



Important message for Businesses

An article on the Herald website this morning suggested any employee working from home can ask their employer to approach Inland Revenue to organise a \$15 per week tax refund. We expect this might create calls from employees and employers asking if this is true.

It is not.

We put out a Determination a month back which set out how in certain circumstances, if an employer were to pay an additional allowance to an employee to cover the costs of working from home, that additional allowance may be exempt from tax. The article is confusing in a number of ways, but this is the key error - the tax treatment only applies to an additional allowance an employer has chosen to pay an employee.

For more detail, see <https://www.ird.govt.nz/covid-19/business-and-organisations/employing-staff/allowances-and-reimbursements>

Please contact your tax agent if you have any questions.